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MARCH 20, 1967

EEC GRAIN TRENDS

U.S. FARMERS GAIN FROM JAPAN'S MIXED FEED OUTPUT

THE DRIED FRUIT INDUSTRY

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Display of convenience foods new to the Osaka area attracts Japanese tradespeople at recent American Food Promotion. More about this exhibit on page 11.

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EEC Grain Trends at Threshold of Common Grains Market

Future studies of the EEC grain economy will show how the unified grain system operates; this study discusses the last years of separate grain markets.

By DONALD J. NOVOTNY
Grain and Feed Division
Foreign Agricultural Services

This coming July 1, the European Economic Community will erect at its border a uniform wall of protection against foreign grain. At the same time, and for the first time, movement of grain *between* the member countries will become free of any restriction. Greater intra-EEC grain trade seems certain to result, and greater "home" use of EEC grain—rather than export to third countries—is likely. If this happens, feedgrain imports will be affected adversely, and there could be some effect on wheat imports as well. The new system may also be a new stimulant to overall EEC grain output, in which case imports would be affected even more.

Some of the secondary price and market system decisions on the CAP (Common Agricultural Policy) for grains have not yet been made. CAP arrangements for some other commodities will bring price and market changes which will have a further effect on the new grain picture.

While these uncertainties remain, there can only be speculation as to the impact which the common EEC grain price system will have upon world trade. In the meantime, however, it is important to establish as clearly as possible a picture of how the basic EEC grain picture looks *before* the new system is imposed. This can now be done, since reports of the 1966 EEC grain crop—the last before "unification"—are complete, and since consumption and trade volumes can be reasonably approximated through the current year.

Production trends

Total land area devoted to grain production in the EEC countries has been declining very slightly, at an annual rate of about 300,000 acres, or less than one-half of one percent. The decline has occurred mainly outside of France and primarily in acreage of coarse grains, particularly rye, oats, and mixed grains.

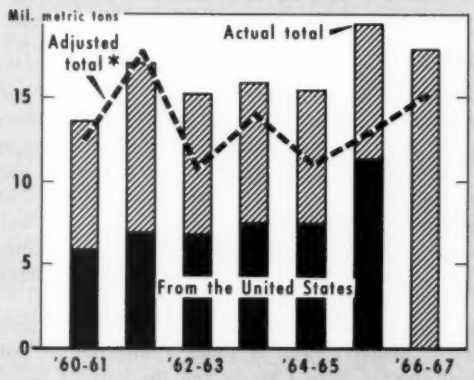
Yields, however, have been moving upward, with France showing the most rapid increases and other areas only a gradual rise. Yields have risen faster for coarse grains than for wheat, but this is due partly to greater plantings of higher yielding barley and corn at the expense of other coarse grains.

After climbing sharply for a number of years because of these rising yields, total EEC grain production has risen much less rapidly since 1962. Taking into account general acreage and yield tendencies, the rate of annual increase in output at present appears to be something less than 1 million tons, or roughly 2 percent. Although the proportion of wheat to coarse grains varies irregularly owing to cropping conditions, most of the growth in output now seems to be coming in the form of coarse grains.

Consumption trends

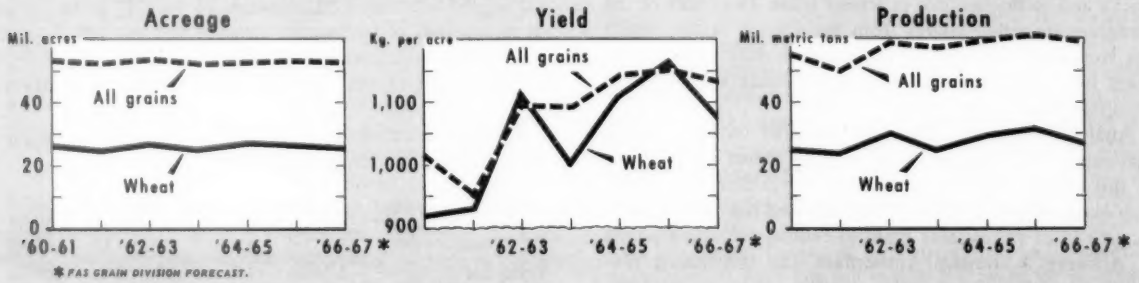
EEC grain consumption is rising rapidly and at an in-

TRENDS IN EEC GRAIN IMPORTS



* ADJUSTED TO A BASIS OF CONSTANT STOCKS AND CONSTANT EXPORTS SINCE 1960-61. 1965-66, PRELIMINARY; 1966-67, ESTIMATED BY FAS GRAIN DIVISION.

TRENDS IN EEC GRAIN PRODUCTION



* FAS GRAIN DIVISION FORECAST.

creasing rate. Virtually all of the increase is going for animal feed. Slight increases in industrial usage in recent years have been approximately offset by declining food use.

The total domestic requirement is currently about 70 million tons per year, of which about 40 million is for animal feed. The feed requirement varies, of course, with livestock cycles and changes in feeding rates, but the current rate of growth in the requirement of grain for feed appears to be roughly 1.2 million to 1.5 million metric tons annually. Thus, as the EEC approaches the unification of its grain economy, the home market is growing *faster* than EEC grain output.

The growth in EEC grain consumption is being filled entirely by coarse grains, mainly corn, much of which is imported. The feeding of wheat to livestock is considerable —usually about 5 million to 6 million tons annually, or about 20 percent of the EEC crop; but this volume depends mainly on the size and quality of the local wheat crop. The expansion of feed demand, therefore, is met with coarse grains, either domestic or imported.

Here, however, lies one of the most important areas of possible impact under the approaching unified market. EEC grain exports to third countries, which now amount to 5 million or 6 million tons annually (exclusive of products) could, if the EEC Commission so chooses, be partly diverted toward the "home" market when intra-trade barriers are removed in July. If this should be the policy, EEC grain imports for feed could suffer a substantial setback even in the absence of new expansion in production. Wheat too, particularly if subsidized, could become involved in the diversion toward the "home" feed market.

Trade trends

As the unified grain system nears, EEC grain imports from non-EEC countries are at record levels. The annual volume has been trending upward, although the increase mostly represents replacement grain to offset a growing volume of exports. Net imports have been on the order of 9 million to 11 million tons annually; there has been some increase due to the fact that domestic requirement is growing faster than local grain output, but the net import pattern has been very irregular.

Wheat imports have been stable or declining slightly. The present annual volume is about 4 million tons, with about half coming from Canada and the balance mostly from Argentina and the United States. Since most of the imported wheat is of premium qualities needed for mill blending, this part of the present general wheat import pattern is not expected to be greatly affected by the unified market.

Imports of feedgrains, mostly corn, have been rising, but the trend is very irregular, owing to changing levels of stocks and to fluctuations in transit trade. Over half of the feedgrain imported comes from the United States, which has supplied nearly all of the increase during the last 2 years because supplies of exportable feedgrains in other countries have been unusually short.

Analysis of recent EEC grain import trends is made particularly complicated by growth in transit trade. Some of this stems from basic changes in practices associated with ocean shipping, such as the increased use of large bulk carriers to carry overseas grain to central unloading points at Antwerp/Rotterdam/Amsterdam for subsequent forwarding to other European destinations. Some of the transit trade has been facilitated by the variable import levy and export restitution system, and part of this facilitation has resulted from regional reorientations of trade. There has, so to speak, been new movement out the "front door," which in turn generates new entry via the "back doors" of the respective member countries.

Summary of preunification trends

The general picture of the EEC grain situation for the period just before the unification of EEC markets and prices is therefore fairly clear, with the exception that trade patterns have perhaps already become somewhat altered during the transitional period. Grain output is now at about the 60-million-ton level and is rising somewhat less than a million tons annually. Requirements, now at about the 70-million-ton mark, appear to be on a trend which is outrunning domestic production by as much as 500,000 tons per year. The principal area of import growth is in corn. These basic trends will be the ones most closely watched beginning next season when the main features of the common market for grains become effective.

Canada's Wheat Aid Shows Big Jump

Canada's aid shipments of wheat and wheat flour have increased more than tenfold in the last 3 years. In 1965-66 they totaled nearly 30 million bushels, and for the first half of 1966-67 amounted to over 25 million bushels.

A major share of this increased aid was to meet the food emergency needs of India. Canada is the second largest contributor of food aid to India, ranking next to the United States.

Canada's expanded food aid has been supplemented by increasing amounts of bilateral assistance for the promotion of agricultural production in developing nations. It has taken the form of fishing vessels, farm machinery, pesticides, fertilizers, food storage warehouses, refrigeration units, equipment and aircraft for crop spraying.

Last year Canada undertook such aid projects as irrigation and land reclamation in Ghana, $650,000; fertilizer to India, $3.5 million, and to Pakistan, $875,000; resources survey in Malaysia, $1 million; and river-basin development, Ecuador, $1.26 million. The West Indies, Kenya, Nigeria, Zambia, and Thailand were also assisted in projects associated with agriculture.

CANADA'S EXPORT OF WHEAT AND FLOUR (IN TERMS OF WHEAT) UNDER AID PROGRAMS BY CROP YEAR AUGUST-JULY

Type	(Aug.-July) 1963-64	1964-65	1965-66	(Aug.-Jan.) 1966-67
Multilateral:	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*
UNRWA[1]	250.2	173.3	331.5	331.5
WFP[1]	38.2	236.5	239.9	2,382.7
Total	288.4	409.8	571.4	2,714.2
Bilateral:				
India	720.7	7,266.2	27,467.6	17,918.6
Pakistan	354.6	3,199.5	671.7	2,833.9
Burma	154.2	330.3	161.3	.....
Ceylon	1,040.3	438.0	898.0	898.0
Indonesia	142.7	.....	.....	.....
Vietnam	41.1	116.4	.....	.....
Algeria	.....	.....	.....	417.9
Ghana	.....	.....	.....	804.6
Total	2,453.6	11,350.4	29,198.6	22,873.0
Total aid	2,742.0	11,760.2	29,770.0	25,587.2

[1] United Nations Relief and Works Agency, and World Food Program.

U.S. Farmers Gain as Japan's Mixed-Feed Output Soars

Not many industries can look back over the last 5 years and see a 100-percent increase in production and look forward with a degree of certainty to still another 100-percent increase in the next 10 years. Japan's mixed-feed industry has this enviable record and future.

Production of mixed and formula feeds jumped from 4.0 million metric tons in 1961 to over 9 million in 1966. The most important factor in this million-metric-ton-per-year rise has been increased egg-layer flocks. In the last 2 years, though, skyrocketing hog numbers have helped to sustain growth in the industry.

Since a sizable share of the ingredients in mixed feeds must be imported, this growth is important to U.S. farmers. Imports of feedgrains rose from 2.0 million metric tons in 1961 to 6.3 million last year. Those from the United States, which totaled only 0.7 million metric tons in 1961, reached a record 4.5 million in 1966. Included in 1966 imports from the United States were 2.23 million metric tons of corn (the production from 1.2 million acres), 2.0 million of grain sorghum (the production from 1.4 million acres), and 264,000 of barley (the production from 318,-000 acres).

U.S. soybean producers also have benefited from the growing feed industry. Most of the increase in Japan's soybean imports in the last 5 years—from 42.6 million bushels in 1961 to 79.7 million in 1966—has been to meet demands of the crushing industry; crushers find a ready feed market for soybean meal.

Japan's booming feed industry is likewise profiting U.S. producers of alfalfa, feather meal, meat and bone meal, and lower grades of animal fats. Substantial growth has occurred in imports of the first three items for the feed industry. Many feedmakers recently have installed or are now installing equipment for adding fat to feed.

The feed-mill situation

Feed mills in Japan tend to be either fairly antiquated or ultramodern. The older mills, which were in production prior to the current boom, have modernized on a hit-or-miss basis as new capacity has been added. But many completely new push-button mills have been built in the last few years, and unloading facilities at some of these mills are as modern as any in the world.

No complete data are available to show the actual full operating capacity of feed mills. In about one-third of the 204 mills in production, 2 shifts operate daily, 6 days a week. The other two-thirds operate one shift 6 days a week. Based on this estimate of operation, mills have produced at a rate of between 95 and 109 percent of capacity for the last 5 years. According to data prepared by the Japan Feed Manufacturers Association, production and installed capacity for 1961-66 were as follows:

	Production	Installed capacity
	1,000 metric tons	*1,000 metric tons*
1966 (partly estimated)	9,300	9,500
1965	8,151	7,495
1964	7,495	7,020
1963	6,200	6,385
1962	4,992	5,275
1961	4,096	4,090

This rapid growth has not been without problems. Since Japan is short on investment capital, mills have been pressed to get money for expanding facilities. They have not been able fully to develop port facilities for handling grains, and present methods of grain unloading are expensive. Generally, imported grains are off-loaded into lighters and moved to the mills' bonded warehouses where they are again unloaded and stored until used. Some newer mills do have facilities for unloading grains from smaller ships directly into grain-storage areas, but many more mills need to develop such facilities.

Feed demand forecast to double

It will be a challenge for the mills to meet the rise in demand forecast recently by the Ministry of Agriculture and Forestry (MAF). In 1976, MAF predicts the demand for mixed and formula feeds at 18.3 million metric tons, compared with about 9.4 million metric tons produced in 1966. This estimate is based on anticipated growth of the swine, broiler, egg, and dairy industries.

The MAF study, using 1964 as a base year, forecasts the following increases in livestock numbers by 1976:

	1964	1976 forecast
	Million head	*Million head*
Dairy cattle	1.24	2.97
Beef cattle	2.21	2.61
Swine	3.46	10.03
Layers	107.74	153.02
Broilers:		
Meat type	6.52	97.23
Layer cockerels	6.65	9.27

These estimates are based on the projected demand for animal protein and the calculated ability of the livestock and poultry industries to expand over the next 10 years. Domestic milk production is expected to meet 85 to 95 percent of the projected 1976 demand; local meats, including poultry, are expected to supply 80 to 90 percent of demand, and self-sufficiency is forecast for eggs.

Since the Japanese government keeps close watch on the livestock and poultry industries, it can and likely will adopt policies to achieve the goals set forth in the long-range projection. And the mixed-feed industry should be able to meet the rapidly growing demand.

The government also maintains an active interest in developing the mixed-feed industry. Three factors are important to the government in the mixed feed area: First, adequate supplies of compounded feeds for expanding livestock operations; second, reasonable prices for formula feeds; and third, stable prices for domestic and imported feed ingredients.

MAF recommends a ceiling retail price for manufactured feeds, and, generally, this ceiling is observed by feedmakers. MAF also suggests a minimum for protein and other ingredients, which in practice becomes a maximum since feedmakers try to follow the price guidelines. Although this procedure was developed to safeguard producer interests, it has the effect of slowing progress in quality-feed production. Output of high-energy feeds with adequate protein levels does not fall within the realm of possibility as long as MAF guidelines are observed.

To help feedmakers maintain low prices, MAF imports wheat bran and so-called feed wheat—which is milled at high bran rates—and sells this bran to feedmakers at stable, low costs. MAF also sells locally produced barley purchased from farmers at less than cost and has legal authority to import and store feedgrains as a price stabilizing mechanism.

Projected import needs for feedgrains in 1976 total 13.1 million metric tons, compared with 7.3 million, including feed wheat, in 1966. No real effort was made in the MAF study to forecast gains for individual grains. However, it points out that corn and grain sorghum are staple items for formula feeds. Much of the growth in imports will be in these items, neither of which is or will be produced in significant quantities in Japan. Imports of barley and feed wheat are also expected to grow.

Production of feedgrains in Southeast Asia probably will increase, and Japan will purchase as much as possible from this area. But, the rapid growth in Japan's feed industry will also provide an opportunity for U.S. producers of ingredients for mixed feeds—grains, vegetable and animal proteins, fats, alfalfa pellets, etc.—to sell larger volumes in this market.

—JIMMY D. MINYARD

Assistant U.S. Agricultural Attaché, Tokyo

The Dried Fruit Industry: A Million-Ton Export Business

Each year, around a million tons of dried fruit move into world trade from a handful of countries. Nearly half of this trade consists of raisins; prunes, dates and dried apples, figs, peaches, pears, and apricots make up the remaining portion.

Among suppliers of these products is the United States, which in 1965 produced $118 million worth of dried fruit. Exports from this outturn totaled $52 million (274 mil. lb.) while imports were a mere $6 million. Raisins and prunes dominate U.S. production and 95 percent of this is in one State—California.

In terms of value of world production and trade, raisins, dates, and prunes are the most important of the dried fruits. Volume of the date pack dwarfs the other two products, but much of this is of very low or uncertain value.

California the top raisin producer

World raisin production has enjoyed a steady upward trend over the past decade, hitting a record 699,200 tons in 1965 and 639,000 in 1966. The latter figure was some 15 percent above the 1960-64 average. Acreage expansion and improved yields in the major producing countries have accounted for most of the long-term gain.

Raisin production originated in southern Europe and West Asia and dates back to at least 1,000 B.C., when the Israelites paid part of their taxes to King David in raisins. Today the United States is the leading producer, with over 278,000 tons of the 1966 output. A distant second is Greece, producing 97,000 tons of raisins in 1966 (but about 197,000 when currants are included), followed by Australia with 89,500, Turkey with 77,000, and Iran with 70,000.

Producing countries of secondary importance are Argentina, Afghanistan, Chile, Cyprus, South Africa, and Spain. It is apparent that countries with a California-type climate —generally found in the Greater Mediterranean region or south of the Tropic of Capicorn—are the raisin producers. This is also generally true for the other dried fruits.

Exports, too, have shown good gains in recent years, totaling some 400,000 tons (including currants) annually. Despite its huge production, the United States is only the fourth largest exporter, selling most of its pack on the domestic market. U.S. exports of raisins average about 57,000 tons annually, putting this country behind Greece, Turkey, and Australia in the export market. And Iran is usually not far behind the United States as one of the "big five" raisin exporters.

Far the largest raisin and currant importer is Europe (including the Soviet Union), which purchases over 310,000 tons annually. The Common Market—Belgium-Luxembourg, France, West Germany, Italy, and the Netherlands—accounts for nearly 100,000 tons of the European total. But the United Kingdom alone, the world's largest importer of dried fruits, imports the incredible quantity of 130,000 tons a year of dried vine fruits. West Germany is the second largest purchaser, taking about 50,000 tons, and the Soviet Union is third, with an average import of 31,000 tons that continues to grow larger. Purchases by other Communist nations—Bulgaria, Czechoslovakia, East Germany, Hungry, Poland, and Romania—are also growing rapidly.

Canada is another of the leading raisin buyers, and Japan, which but a few years ago was a minor purchaser,

has become a major market for raisins, particularly California's Natural Thompson Seedless.

Slow comeback in U.S. prunes

Prunes before World War II were just as important as raisins to the U.S. dried fruit industry and were by far the most important of the U.S. dried fruit exports. However, domestic production and exports fell drastically after the war, and only in recent years have they begun climbing back. All but 1 percent of U.S. production is California, and here again California dominates output, with about two-thirds of the world's average pack of 225,000 tons.

The "oldtimers" of the world producers, Yugoslavia and France, are far behind with 27,000 and 8,000 tons, respectively; but they, too, are increasing their production, particularly France. Other producers of export significance are Romania, Argentina, Bulgaria, Chile, Australia, South Africa, Turkey, and Italy.

World trade in prunes is much smaller than that for raisins, averaging about 90,000 tons annually. The United States supplies half of the total, while Yugoslavia—the only other large exporter—accounts for nearly one-fourth. Romania, Bulgaria, and Argentina are the next biggest exporters.

Western Europe is the major market for prunes, taking about 50,000 tons annually. As with raisins, the Common Market looms large in the import picture with its 20,000-ton average purchase. But the United Kingdom again ranks as the leading single market, buying 11,000 tons a year.

Nobody knows how many dates are produced—perhaps 1¾ million tons annually. Iraq, Iran, the UAR, Saudi Arabia, Algeria, and Pakistan are the leading producers, while Iraq accounts for 80 percent of the 350,000-ton trade in dates. California is only a minor producer; however, its exports have been climbing sharply, particularly to Europe, where high-quality California dates are able to find ready buyers in the midst of abundant but low-quality competing dates.

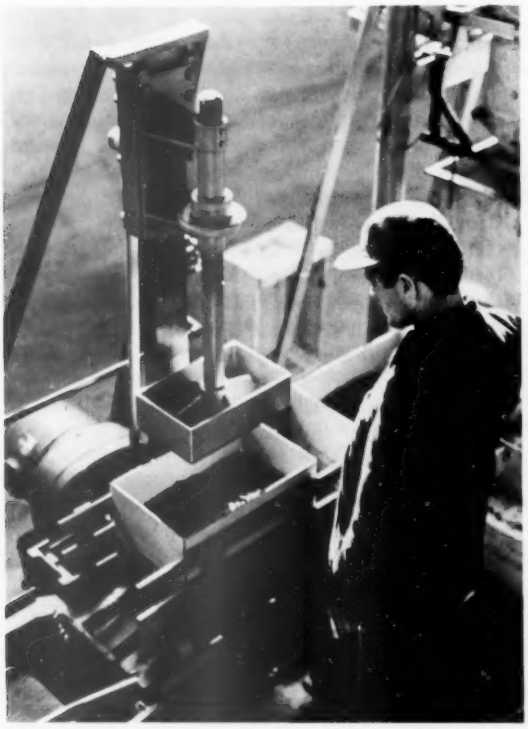
Other important dried fruits

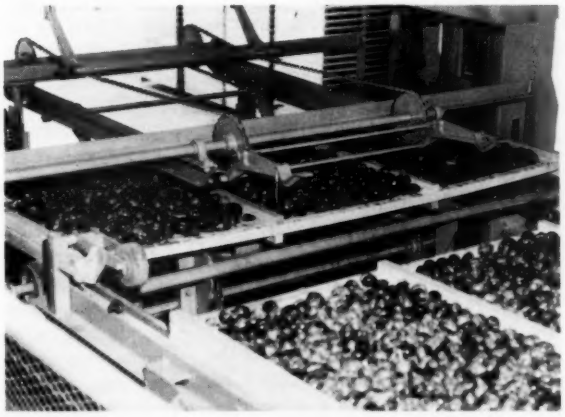
Dried figs are the most important of the remaining dried fruits. Turkey, Greece, Portugal, and Spain are the main commercial producers and exporters, shipping about 60,000 tons a year. The United States, though among the top producers, also imports a sizable quantity, chiefly to supplement California figs in the manufacture of fig bars.

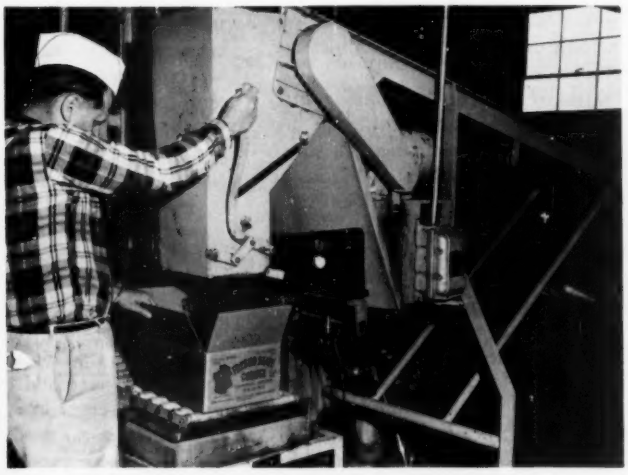
Dried apples, apricots, peaches, and pears each involve minor tonnages, but in aggregate they represent a substantial volume. The volume is especially large in terms of fresh fruit, since it may require about 6 to 10 pounds of fruits in the fresh form to yield 1 pound of dried fruit.

—STANLEY MEHR
Fruit and Vegetable Division, FAS

Dates, like those displayed at left, are major money earners in North Africa and West Asia. Below, bulk packaging of Iranian raisins—a big export item for that country.







Prunes and raisins are especially important to U.S. dried fruit trade. Top, U.S. prunes following washing, and directly above, raisins being packaged at processing plant.

Argentina's Wool Situation: Stocks High, Sales Improving

Argentina, the world's fourth-ranking wool exporter, has estimated its 1966-67 wool clip at 200,000 metric tons. The quality of the wools moving in from the coastal areas of the Patagonia is rated as exceptionally good this year, although the overall clip will be about average.

As of January 1, Argentina's exportable surplus amounted to $150,000 tons, about 6,000 tons more than at the beginning of 1966. This increased availability reflects not only the larger clip, but an unusually long 6-week lull in holiday buying for export.

This year's—1966-67—stock position is actually not as favorable as this comparison suggests, since the year began with some 20,000 tons less than in the previous year. From the standpoint of composition of supplies for export, the hard-to-sell coarse wools, as in 1965, account for about a third of the total. The proportion of fine crossbreds, on the other hand, is somewhat larger than it was last year.

Export sales were slow starting, then recovered somewhat a few weeks ago, with firmer prices. Grades below the 50's still find difficulty in getting attractive offers. One bright spot in the outlook is the recent devaluation of the peso to 350 per U.S. dollar.

Drop in exports

Total raw wool exports during the first quarter of 1966-67 declined by 15 percent from the same period the previous year to reach 24,000 tons. Fine wools gained by a few hundred tons, with the major drop-off shared by fine crossbreds. Pulled wool was the only category to show an increase, which was modest.

Most of Argentina's traditional markets bought less than usual in the first quarter. The United Kingdom, which upped its purchases by 500 tons to 5,200 tons, was the notable exception. In so doing, it displaced the United States as top buyer: U.S. imports fell by nearly 1,700 tons to about 4,160 tons.

The British preference is still for finer types, while that of the United States is for carpet wools. The latter cut back its taking of fine crossbreds in 1966-67 by more than 800 tons from the 1,000 purchased in 1965. According to a leading exporter, Europe at this time is a more interesting market for Argentine carpet wools than the United States where prices fetched are 3 or 4 percent lower.

Of the other important outlets for Argentine wools, a significant change in buying habits showed up in trade with the USSR. It is usually among the top 10 markets but thus far in the season has bought virtually nothing. Reportedly, the USSR is letting other Communist Bloc countries buy Argentine wool and in turn is taking from them yarn and textiles. Argentine wool shipments to Poland will be substantially higher this year, based on first-quarter showing.

Prices lower than in 1965

As anticipated when the season began, Buenos Aires prices for coarse wools have continued to decline. December quotations averaged 1,330 pesos per 10 kilograms, or $5.40. A year ago at that time they were as high as $9.75 at the prevailing exchange rate. The long-range outlook for these carpet wools appears uncertain, but at least one exporter is hoping for higher prices should competing wools from New Zealand be heavily bought up by that country's wool commission.

For other wools, prices since 1965 have been advancing with the successive devaluations, but again have failed to keep pace. Fine wools, excepted, are still selling at the equivalent of $10.00 per 10 kilograms. And current quotations range from 1,950 pesos for fine crossbreds to 1,300 ($5.30) for heavy crossbreds. Producers who did not accept better prices in early 1967 are now having to sell on minimum terms of 90 days to exporters and 180 domestically.

—Martin G. Schubkegel
Assistant U.S. Agricultural Attaché
Buenos Aires

Danish Farm Earnings Rise

While the volume of Danish agricultural output remained practically unchanged in 1966, total value rose 4 percent because of higher prices for milk and pork. However, farmers' costs increased somewhat faster than did product prices, resulting in a decrease in total net return per acre. Also, because of difficult economic conditions the net investment for improvement and extension of farm enterprises was 28 percent below that of 1965.

Total crop production (in feed units) equaled that of 1965; a decrease in grain was balanced by the larger output of potatoes, sugarbeets, and fodder beets. Total breadgrain production declined by 36 percent, and because rye production now falls short of domestic demand, this grain is being imported for mixing with home-grown rye for bread.

Increased production of beef, veal, and poultry meat boosted the meat total slightly despite a small reduction in pork. Milk production approximated that of 1965, but more milk went into cheese and less into butter.

Total foreign exchange earnings from agricultural products rose about 4 percent, with exports to the EFTA countries increasing about 10 percent and those to the EEC decreasing by 6 percent. Exports to other destinations rose, including a 37-percent increase to the United States.

Increases were registered for exports of bacon (with the United Kingdom the principal market), cheese, butter, beef, and veal. Poultry meat and live cattle declined.

Spain's Farm Imports Up

Spain imported an estimated $720.0 million worth of agricultural commodities in 1966, according to preliminary data released by the Spanish Customs Office. This is 16.2 percent higher than in 1965, and for Spain is an alltime yearly record.

The products imported included substantially larger amounts of oilseeds (mainly soybeans), feedgrains, sugar, canned foods, protein meals (including soybean meal), beverages, meat, and meat products. Only three commodity groups showed declines—fats and oils, dairy products and eggs, and pulses and tubers.

While total imports — agricultural and otherwise — from the United States increased by 15.6 percent in 1966, Spain's exports to this country rose over 27 percent. This trend is also noticeable in Spanish trade with the EEC and to an extent with EFTA.

Spain reported an increase in exports to the Soviet Bloc by about 133 percent and to Cuba by 105 percent, over those of 1965.

Severe Foodgrain Shortages Force More Belt-Tightening in India

India this year faces belt-tightening of a degree hardly imagined 2 years ago.

Production of foodgrains (cereal and pulses) for 1966-67 is now expected to be no more than 79 million tons, or only moderately above the drastically low 72 million of 1965-66. And stocks are so depleted that stiffer rationing measures, along with huge imports, are again necessary.

As in 1965-66, the big problem has been drought. India's kharif (summer-sown) crop was plagued by an erratic monsoon, which brought floods to some parts of India while missing others and then let up almost completely during the critical rainfall period of September-November. The resulting crop was a near failure in some of the more heavily populated areas of the country.

The rabi (fall-sown) crop, which accounts for about a third of India's foodgrain output, has suffered similarly. Seeding was aided by rains in the latter half of November, and hopes were raised for a good spring harvest. But since December, winter showers have been almost nonexistent, jeopardizing production in north and central India.

Ganga Plain hit hard

While Andhra Pradesh, Gujarat, Mysore, Maharashtra, Madhya Pradesh, Orissa, and Rajasthan were among the hardest hit during last season's drought, the whole of Bihar and eastern and central Uttar Pradesh have been most afflicted this season. In Bihar, output of cereals will probably not exceed 3.5 million tons, against 5.7 million in 1965-66 and 6.3 million in each of the 2 preceding years; in Uttar Pradesh output is forecast some 600,000 tons below the 10.3 million of 1965-66. Shortages in these and other densely populated areas of the Ganga Plain will become more pronounced after May or June when the smaller supplies from the current year's crops are disappearing. From then until the beginning of the 1967-68 kharif harvest, some 75 million people will face food shortages.

In most other areas, production will be higher than in 1965-66 but well below targeted levels. And the rice position in the chronically deficit and problem States of Kerala and West Bengal continues to be a major concern, although the government has been able to maintain the rationing system through ad hoc arrangements.

Gap of 15-20 million tons

While production this season may be some 8 million tons above that in 1965-66, India on the whole will be no better off. In one of its reports, the Ministry of Food and Agriculture estimates that even with a foodgrain production of 80-85 million tons, India would need an extra 15-20 million tons to bring domestic consumption up to the level of 5 years ago. In 1965-66, it would have taken some 17 million tons to bridge that gap.

Last year, India's food crisis was surmounted because of massive food assistance of over 10 million tons, largely from the United States, plus large carryover stocks held by the provident Indian farmers from bumper harvests of 1964-65. But this year, there is no cushion of stocks, so most of the difference must be made up through imports and reduced per capita consumption.

Thus far, arrangements have been made to import about 5.2 million tons of grain in 1967. As in the past, the United States will be supplying the greatest share—2.1 million tons of wheat and 1.5 million of grain sorghum have been pledged so far. Canada, which supplied India with 1.0 million tons of wheat in 1965-66, has granted 200,000 tons thus far in 1966-67; this will most likely be increased. Australia is sending 300,000 tons of wheat (150,000 of it commercially), the USSR, 200,000; and the World Food Program 35,000.

An extra 5-6 million tons, however, must move in during the second half of the year if minimal consumption needs are to be met.

In addition, the central government has asked all State governments to cut foodgrain rations from 2 kilograms (4.4 pounds) to 1.75 kilograms (3.9 pounds) per adult per week in statutorily rationed areas. The cut has already been implemented by most States and is expected to result in a monthly saving of about 20,000 tons of foodgrains, which will be moved into drought-stricken areas. As a result, India's per capita consumption of foodgrains will probably decline from last season's 161 kilograms (72 pounds) to about 159 kilograms (73 pounds).

The country has also rapidly expanded this food-rationing system. Today, rationed grain is distributed through some 138,000 fair price shops to nearly 25 percent of the Indian population. Statutory (total) rationing covers an estimated 28 million people. Informal rationing, under which the government supplies a portion of the daily requirement, now reaches some 83 million people.

Such a vast distribution network was believed to be nearly impossible at the beginning of India's food crisis in 1965.

To better utilize this system and the limited grain supplies, India is now working on a national food budget, indicating the surpluses and deficits in various States and setting forth procurement goals of each State. However, formulation of the budget was held up somewhat by the elections of last month.

Agricultural improvements obscured

This second successive drought has overshadowed much of the agricultural improvement now going on in India.

Over the past year, the government has greatly stepped up efforts to raise foodgrain output, making available larger supplies of fertilizer, pesticides, and improved seed. Distribution of fertilizer for 1966-67 production was increased from the 600,000 tons of 1965-66 to 850,000 tons—about two-thirds of this going to foodgrain crops. High-yielding varieties of rice, corn, jowar, and bajra were planted on 1.8 million acres, while another 3.7 million acres were seeded to high-yielding wheat and other crops. Action was also taken to develop and implement irrigation programs, especially in Bihar and Uttar Pradesh.

Available reports indicate that excellent results were obtained in areas covered by these development programs.

Still, it is the vast unimproved and vulnerable area that holds sway over India's farm production—a deficiency that will again be mirrored in drastic steps to maintain imports, move grain from surplus to deficit areas, and avoid political crisis.

—Based on dispatch from JAMES H. BOULWARE
U.S. Agricultural Attaché, New Delhi

FAS Exhibits—An Easy Way To Get Started in Exporting

U.S. businessmen who want to expand sales of their food or agricultural products to foreign countries have at their service a tool fashioned especially for this purpose.

That tool: The program of U.S. exhibits overseas, which the Foreign Agricultural Service carries out in cooperation with industry.

Since 1955 this program has been used to stimulate exports of agricultural products by acquainting prospective customers in foreign markets with the quality, availability, and wide variety of U.S. products. By the end of 1966, it had chalked up 191 exhibits in 37 countries, exposing American products to over 50 million persons.

Each exhibit is planned to promote a particular type or types of products in a trade area where there is a potential market. Usually the existence and size of the probable market have been documented by comprehensive market surveys.

By participating in certain of these exhibits, a businessman can introduce his brand-name products to the general public, the trade, or both. He can do so at minimum expense in an uncomplicated operation.

Kinds of exhibits

FAS-sponsored exhibits are of three general kinds.

- Exhibits at a foreign trade or agricultural fair. Such fairs, held regularly in many world capitals and trading centers, are excellent launching pads for product promotion. Crowds may range up to half a million for a 10-day event and usually include many foreign businessmen.

Among major fairs where U.S. exhibits have been staged regularly are those in London and Manchester, England; Cologne and Munich, Germany; Paris, France; Brussels, Belgium; Vienna, Austria; Madrid, Spain; and Verona, Italy.

- Trade center exhibit. In London, Tokyo, and Milan, the U.S. Departments of Agriculture and Commerce maintain permanent U.S. Trade Centers. FAS schedules at least two exhibits a year at the London and Tokyo centers, one at Milan. Exhibits are also held in some years at the U.S. Trade Center in Frankfurt, Germany, which is maintained by the U.S. Department of Commerce. This year, for the first time—April 19-26—an FAS exhibit is being staged at the U.S. Trade Center in Stockholm, Sweden, which is also operated by the Department of Commerce.

Special exhibit. These exhibits are one-time enterprises—both large and small—planned for a particular purpose or occasion. Commonly, they are staged to promote U.S. products in promising markets that have no trade fair or trade center facilities.

Exhibit audiences

In the early years of the program, most FAS-sponsored exhibits were aimed at the public. Typically, an association representing U.S. producers or processors of a particular commodity would use such an exhibit to introduce that commodity to foreign consumers. The commodity was demonstrated in use; often samples were given out or sold.

This type of exhibit is still used, but more and more of today's exhibits are trade-oriented. That is, displays are set up to attract and inform the foreign importers who will buy the product to sell to the consumers.

"Trade only" exhibits were first staged on a trial basis at two major European trade fairs in the fall of 1965. They were so successful that six similar shows were scheduled in 1966.

At a "trade only" show, visitors are limited to invited members of the business community. Individual exhibitors can demonstrate their merchandise to these foreign buyers, talk business, and take orders in comfortable, appropriate surroundings.

Most trade fair exhibits include both consumer-oriented and trade-oriented sections. Most trade center exhibits are for the trade only.

Products exhibited

Each U.S. exhibit is set up to display a particular group of products—such as processed and packaged foods . . . or frozen foods only . . . or poultry products . . . or feedgrains . . . or wheat products . . . or livestock.

To be eligible for exhibit an item must be (1) produced in the United States, or (2) composed principally of ingredients produced in the United States, or (3) be composed principally of ingredients produced outside the United States that are noncompetitive with U.S. products and that have been processed in the United States. Included among noncompetitive foreign products are coffee, tea, and cocoa.

How to enter a U.S. exhibit

Eligibility requirements for participants vary somewhat from exhibit to exhibit and are specified in the announcement for each exhibit. Most shows are staged chiefly for U.S. businessmen and foreign agents of U.S. firms to display their brand-name merchandise. Most exhibits also have space for displays of cooperating trade associations and commodity groups.

A typical processed foods show held at the U.S. Trade Center in Milan, Italy, this January was open to all U.S. food processors, manufacturers, and their overseas agents and representatives who handle the U.S. foods.

Exhibitors are never required to be members of any trade association—even when the exhibit is co-sponsored by an association.

Each exhibit is announced well ahead of time. Announcements are mailed 8 to 10 weeks before the opening date to individuals and firms who have asked to be notified of exhibits for which they are eligible. Usually the announcement is also carried by the trade press. Trade associations circulate notices of upcoming exhibits to their members.

Any company that wants to be notified of exhibits in which it can participate may request to be placed on a mailing list to receive exhibit announcements. Address the request to International Trade Fairs Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250.

Sent out with each announcement is a participation agreement. Filled-out and signed agreements must be returned to ITFD by the announced deadline. Because exhibit space is limited, participants are accepted in the order their applications are received.

What participants are furnished

Where products displayed are not for sale, participants are furnished physical facilities for displaying their products free of charge. These facilities may be shelved display cases or

booths. They vary in size from a case with a 3-foot frontage and 3 to 6 shelves to booths large enough to accommodate sampling operations. Exteriors of all cases or booths are decorated uniformly.

The U.S. exhibit management also provides a publicity and public relations program to attract visitors to the U.S. area of the show. For a "trade only" exhibit, for example, those in charge of this program invite key traders in the area to the exhibit, set up a registration desk at the exhibit, and admit only bona fide tradesmen. They also hold press previews of the exhibit and arrange trade receptions and other functions—to enable exhibitors to meet local business contacts. Usually such shows have a lounge for exhibitors and trade visitors.

Participants are also given assistance or advice in freight forwarding and shipping.

What participants furnish

Each participant provides at his own expense enough of his product for display, sampling, and demonstration. A minimum of one case of each item is usually recommended. The participant pays all expenses necessary to deliver the products free and clear at the exhibit by the deadline.

For most fairs, each exhibitor must provide a company representative to arrange the product in the display case or booth and to attend it full time. Two or more companies may be represented by one agent, if this person can fully represent each.

At four trade fair exhibits this year, one section of the exhibit will be a new-food promotion to which companies may send their products without sending along a representative. For details of these fairs, see *Foreign Agriculture*, March 6, page 11.

Participation in 1967

There is still ample time for U.S. companies to take part in this year's FAS exhibit program. Nearly half of the 1967 exhibits are scheduled for September, October, and November.

Trade fair exhibits are scheduled for: Dublin, Ireland, Sept. 7-16; Leeds, England, Sept. 20-30; Cologne, West Germany, Sept. 30-Oct. 8; and Dijon, France, Nov. 4-12.

Trade center exhibits will be held in: Tokyo, Sept. 25-Oct. 6; and London, Oct. 12-20.

A special food exhibit will be staged in Beirut, Lebanon, Oct. 16-20.

Osaka Food Promotion a Hit

A special 3-hour exhibit of U.S. foods, held recently in Osaka, Japan, attracted more than 1,000 Japanese tradespeople and food handlers—twice as many as expected. The event, the first of its kind in Japan, was staged at the request of the retail food trade in the Kansai area.

Sponsors of the exhibit were the agricultural attaché's office, American Embassy, Tokyo; American consulates in Kobe-Osaka and Nagoya; and the commercial food trade in Japan.

Thirty importers, agents, and trading company representatives exhibited, sampled, and demonstrated virtually every American food and beverage now being sold in Japan. In addition, three FAS cooperators—the Institute of American Poultry Industries, Wheat Associates USA, and the California Prune Advisory Board—participated.

As a special feature, the agricultural office of the U.S. Trade Center in Tokyo displayed and demonstrated American packaged and frozen foods new in the area.

Guests at the exhibit included food retailers from both department stores and self-service grocery stores, wholesalers, and cooking school officials.

Swiss Make Repeat Purchase Of American Spring Wheat

The Swiss Government, through its Federal Cereals Administration, has purchased 10,000 metric tons of U.S. Dark Northern Spring wheat for its revolving emergency stocks, an encouraging followup to its purchase of 20,000 tons last year.

Last year's purchase was the government's first for its strategic reserves. This breakthrough climaxed about 5 years of concentrated effort by FAS and its market development cooperator, Great Plains Wheat, Inc., to point up the quality of U.S. wheat to Swiss Government officials.

While the Federal Cereals Administration imports wheat only for emergency stocks, its favorable reaction to U.S. Dark Northern Spring—demonstrated by the repeat purchase—could have substantial influence on private importers, as it shows the government's confidence in U.S. wheat. In the past, private importers have taken only small amounts.

Offers for the recent sale, which included special grade specifications, were accepted in less than 48 hours—record time for such a transaction.

Wheat Associates Sponsors Baking Class in Philippines

Richard Gonzalez, baking technician with Wheat Associates, USA, supervises a baking class for Philippine home economics teachers. By promoting improved bakery products, Wheat Associates hopes to enhance the popularity of wheat foods in this country where outdated baking methods are still widely used.

U.K. Lard Imports Show Encouraging Rise

Imports of lard into the United Kingdom during December 1966 were 3 percent above shipments during November 1966.

The major portion of the increase came from the United States, which supplied 46 percent of total U.K. lard imports for that month. Belgium, the strongest competitor for the U.K. lard market, lost substantial ground, supplying only 21 percent of the market in December compared with 28 percent in November. At one time last year—in October—Belgium was the major supplier of lard to the United Kingdom. However, as U.S. production of lard began to rise in the latter part of the year, its exports quickly increased, thereby enabling the United States to regain the No. 1 position in the U.K. market.

For all of 1966, imports of lard into the United Kingdom decreased almost 62 million pounds, or 13 percent. A sharp decline in U.S. exports to the U.K. occurred as a result of lower U.S. production and higher prices throughout most of the year. During 1966 the United States supplied approximately 29 percent of the total U.K. market compared with 54.5 percent in 1965. Total imports from the United States in 1966 were 119 million pounds, down 54 percent.

The sharp decline in imports from the United States was partly offset by the increase in lard obtained from Belgium. In 1966, Belgium supplied 25 percent of the market—up 2 percent from 1965. Other countries showing increases in lard exports to the United Kingdom were Romania, Poland, the Netherlands, and West Germany.

U.K. LARD IMPORTS

Country of origin	1965		1966	
	Quantity	Percent of total	Quantity	Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	256,567	54.5	118,662	29.0
Belgium	107,589	23.0	102,217	25.0
Poland	11,021	2.3	39,952	9.8
Romania	5,528	1.2	37,187	9.1
Denmark	24,265	5.2	27,807	6.8
Netherlands	13,353	2.8	21,579	5.3
France	18,037	3.8	17,060	4.2
Italy	21,216	4.5	15,729	3.9
Germany, West	4,344	.9	11,183	2.7
Sweden	4,911	1.1	4,989	1.2
Switzerland	1,624	.3	4,433	1.1
Bulgaria	.....	.....	4,091	1.0
Canada	448	.1	1,525	.4
Others	1,548	.3	2,169	.5
Total	470,451	100.0	408,583	100.0

Henry A. Lane & Co. Ltd., London.

India Has Bumper Cashew Crop

Commercial production of cashews in India during 1967 is forecast at 90,000 short tons, raw-nut basis. Considerably more cashews are grown in India—perhaps as many as 150,000 tons—but these either go to waste unharvested or are consumed locally and do not enter commercial channels. The 1967 forecast is about 12 percent above the 80,000-ton 1966 harvest and 11 percent above the 1960-64 average crop of 81,000 tons.

As usual, India will import the majority of the raw-cashew requirements for its processing industry from Africa. These imports are expected to total about 176,000 tons in 1967, with up to 110,000 tons coming from Mozambique. In 1966 India imported an estimated 154,000 tons; actual imports for January-September totaled 128,249 tons, of which Mozambique supplied 68,430 and Tanzania furnished 57,466.

INDIA'S CASHEW SUPPLY AND DISTRIBUTION
[raw nut basis]

Item	Average 1960-64	1965[1]	1966[2]	1967[3]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Beginning stocks (Jan. 1)	16.1	2.0	16.0	8.0
Production	81.0	90.0	80.0	90.0
Imports	151.4	193.5	154.0	176.0
Total supply	248.5	285.5	250.0	274.0
Exports[4]	228.8	253.2	225.0	240.0
Domestic disappearance	8.8	16.3	17.0	20.0
Ending stocks (Dec. 31)	10.9	16.0	8.0	14.0
Total distribution	248.5	285.5	250.0	274.0

[1] Revised. [2] Preliminary. [3] Forecast. [4] Kernels converted to raw basis at 4.27:1 all years but 1964, when 4.78 was used.

India's exports of cashew kernels for the first 10 months last year (January-October) totaled only 46,000 short tons, kernel weight—down 9 percent from shipments in the same period of 1965. Full-year 1966 exports are estimated at about 52,600, as against 59,300 in 1965 and a 1960-64 average of 52,200. In 1967, kernel exports may total about 56,200 tons.

INDIA'S CASHEW KERNEL EXPORTS

Destination	Calendar years		Preliminary
	1964	1965	1966
	Short tons	*Short tons*	*Short tons*
United States	30,347	29,815	25,300
Germany, East	3,630	4,013	3,200
USSR	11,037	14,677	15,000
Soviet-oriented countries	561	272	400
Subtotal	15,228	18,962	18,600
United Kingdom	3,939	3,149	2,400
Canada	1,852	1,665	1,400
Australia	2,140	1,505	1,300
Other countries	4,807	4,212	3,600
Total	58,313	59,308	52,600

As a result of heavy world supplies of cashews, prices of both raw nuts and kernels have dropped considerably in recent months. Raw Angochees prices fell from $226 per short ton, c.i.f. Cochin, on July 1, 1966, to $179 on February 1, 1967. Kernels dropped from 71 cents per pound for 320 count in 25 pound tins, c.&f. New York, on July 1 to 56.5 cents in February.

Minimum Prices for Spanish Canned Apricots

According to the London trade, Spanish canners expect that compulsory minimum export prices may be soon invoked for apricots. Official minimum prices per dozen units (f.o.b. Cartagena) would reportedly be as follows:

Grade:	Can size	Price
		U.S. dol.
Choice	½ kg.	1.26
Choice	1 kg.	2.33
Standard	½ kg.	1.14
Standard	1 kg.	2.15

In addition there is a 3-percent agency commission and swell allowance on the ½- and 1-kilogram cans.

January Meat Imports Subject to Import Law

During January 1967, there were some 77 million pounds of meat imported into the United States subject to provisions of the Meat Import Law (88-482). Under this law, imports of chilled, fresh, and frozen beef, veal, and goat meat are subject to quotas when estimated imports for any one year equal or exceed 110 percent of what the quota would be.

Imports of these products during 1967 are estimated to be less than 995 million pounds—the level needed to trigger imposition of the quotas.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW (P.L. 88-482)

Imports	January
	Mil. lb. product weight
1967:	
Subject to Meat Import Law[1]	77.4
Total beef and veal[2]	82.9
Total red meat [3]	111.2
1966:	
Subject to Meat Import Law[1]	51.4
Total beef and veal[2]	58.2
Total red meat[3]	88.0
1965:	
Subject to Meat Import Law[1]	28.2
Total beef and veal[2]	30.5
Total red meat[3]	39.4

[1]Fresh, chilled and frozen beef, veal, mutton, and goat meat. [2]In all forms, including canned and preserved. [3]Total beef, veal, pork, lamb, mutton, and goat.

Indian Sugarcane Deliveries Decline

In India, the most highly subsidized crop other than foodgrains has been sugar. India has fostered the production of sugarcane and exports of sugar, especially to the United States, in order to increase foreign exchange earnings. However, recent price increases in the local market for gur (farm-produced sugar) have reduced the quantity of cane arriving at sugarmills, and sugar exports from India may decline.

The surplus production of sugar, which had been created through high subsidy rates, has declined the past few years. Presently, farmers, particularly in the wheat regions, are replacing sugarcane with the new high-yielding varieties of foodgrains to maximize their returns per acre. Farm crushing of sugarcane and evaporating sap in the field to produce gur has also been more rewarding to farmers than selling cane to mills. Sugarcane prices set by the government have not increased as rapidly as gur prices and have resulted in a considerable drop in cane deliveries and mill sugar production. Production of centrifugal sugar for the 1966-67 year is expected to be considerably velow the 4.5 million tons of 1965-66.

Mexico's Peanut Crop Up, But Exports Fall

Mexico's 1966 peanut crop has been estimated by the Mexican Secretariat of Agriculture at 101,400 metric tons, an increase of slightly more than 5 percent over the 1965 crop of 96,058 tons. Peanut production in 1967 is currently forecast at 104,000 metric tons. From 70 to 80 percent of the Mexican peanut production is consumed domestically as roasted nuts or mixed with candy.

Mexican exports in 1966 probably did not reach the 1965 level of 9,274 metric tons. Competition from other exporting countries and increased domestic consumption were the main factors contributing to the reduction. Canada, previously the largest importer of shelled peanuts, has been buying from the United States and Mainland China. Mexico's rapidly growing population and improved standard of living are expected to bring about increased domestic demand for peanuts and peanut products.

MEXICAN PEANUT EXPORTS

Commodity and destination	1964	1965	Jan.-Oct. 1966
Shelled: [1]	*Metric tons*	*Metric tons*	*Metric tons*
United States	590.2	249.7	82.2
Canada	1,736.9	387.2	9.1
France	74.9	89.5	18.9
Netherlands	51.4	89.6	4.1
Switzerland	49.9	48.3	94.8
Spain	236.0	0	40.0
Others	71.6	269.0	119.2
Total	2,810.9	1,133.3	368.3
Unshelled:			
United States	1,510.8	1,450.6	608.3
Canada	3,769.1	3,036.2	2,129.7
Switzerland	1,502.0	1,136.3	692.8
Netherlands	376.6	674.1	776.2
United Kingdom	0	545.0	391.0
France	44.9	450.4	91.4
Germany	80.4	213.2	3.2
Others	357.1	635.0	1,216.1
Total	7,640.9	8,140.8	5,908.7

[1] Includes a small quantity of salted nuts.

U.S. Exports of Soybeans, Edible Oils, Meals

Exports of soybeans from the United States during September-January 1966-67 amounted to 124.9 million bushels, or slightly less than the record volume reported in the same 5 months of 1965-66. However, exports to Japan, the major single market, outpaced last year's record volume for that period.

Edible oil exports in October-January (including foreign donations) totaled 272.9 million pounds, or 200.6 million less than in the comparable months of 1965-66. More than 90 percent of the total export was soybean oil because of a reduction in availabilities of cottonseed oil.

During October-January, aggregate U.S. oilseed cake and meal exports were 992,200 short tons, or 15 percent

below the record volume for the corresponding months of a year earlier. Exports of soybean meal to the EEC, at about 600,000 tons, were well maintained; however, exports to other European countries declined, as did total exports of cottonseed cake and meal.

U.S. EXPORTS OF SOYBEANS AND PRODUCTS

Item and country of destination	Unit	January 1966 [1]	January 1967 [1]	Sept.-Jan. '65-66 [1]	Sept.-Jan. '66-67 [1]
SOYBEANS					
Japan	Mil. bu.	4.7	6.5	26.0	30.6
Netherlands	do.	3.6	2.3	18.2	18.4
Germany, West	do.	2.0	1.5	15.8	15.0
Canada	do.	.1	.1	15.1	11.0
Spain	do.	2.5	2.3	7.6	10.2
Italy	do.	1.9	2.8	11.0	10.0
Others	do.	4.8	6.4	33.7	29.7
Total	do.	19.6	21.9	127.4	124.9
Oil equivalent	Mil. lb.	215.0	240.5	1,399.4	1,371.4
Meal equivalent	1,000 tons	460.2	514.8	2,995.0	2,935.2
		January		Oct.-Jan.	
EDIBLE OILS		1965 [1]	1966 [1]	'65-66 [1]	'66-67 [1]
Soybeans oil: [2]					
Burma	Mil. lb.	0	4.5	0	45.0
Tunisia	do.	3.6	.5	11.3	27.7
Yugoslavia	do.	4.0	0	42.3	24.7
UAR, Egypt	do.	2.9	(3)	6.3	19.9
India	do.	.6	2.6	.8	16.0
Chile	do.	0	11.2	1.5	12.3
Greece	do.	1.0	.5	2.2	12.1
Israel	do.	.1	(3)	15.6	11.5
Brazil	do.	3.8	6.6	8.3	.9
Others	do.	46.8	15.3	239.9	81.5
Total	do.	62.8	41.2	328.2	251.6
Cottonseed oil: [2]					
Venezuela	do.	3.2	2.2	13.4	10.5
UAR, Egypt	do.	0	0	0	3.5
Canada	do.	5.0	.7	18.2	2.3
Sweden	do.	0	0	4.7	1.3
Dominican Rep.	do.	.6	0	1.2	.8
Netherlands	do.	0	.6	5.4	.6
Taiwan	do.	0	0	0	.5
Others	do.	31.0	.3	102.4	1.8
Total	do.	39.8	3.8	145.3	21.3
Total oils	do.	102.6	45.0	473.5	272.9
CAKES AND MEALS					
Soybean.					
Germany, West	1,000 tons	46.4	33.9	199.9	169.9
France	do.	29.1	40.8	138.3	148.9
Netherlands	do.	28.4	27.9	141.0	119.2
Italy	do.	20.8	27.0	64.3	88.9
Canada	do.	15.7	14.9	89.9	82.4
Belgium	do.	19.0	25.2	68.2	73.0
Yugoslavia	do.	12.1	22.1	35.9	47.4
United Kingdom	do.	20.8	4.3	53.8	38.0
Denmark	do.	19.6	3.3	61.3	30.5
Hungary	do.	0	21.8	0	29.9
Others	do.	43.9	23.6	177.2	92.6
Total	do.	255.8	244.8	1,029.8	920.7
Cottonseed	do.	8.5	.1	70.3	4.8
Linseed	do.	2.5	1.2	48.5	61.4
Total cakes and meals [4]	do.	269.4	247.8	1,161.5	992.2

Note: Countries indicated are ranked according to quantities taken in current marketing year.

[1] Preliminary. [2] Includes Titles One, Two, Three, and Four of P.L. 480, except soybean and cottonseed oils contained in shortening under Title II and Title II exports of soybean and cottonseed oil not reported by Census. [3] Less than 50,000 pounds. [4] Includes peanut cake and meal and quantities of other cakes and meals.

Compiled from Census records.

Tung Oil Shipments from Buenos Aires

Shipments of tung oil (of Argentine and Paraguayan origin) from Buenos Aires during August-January 1966-67 totaled about 33.5 million pounds, or more than double the 15.5 million shipped in the comparable months of 1965-66. The increase reflects record availabilities from the 1966 nut crops in Argentina and Paraguay.

Of total tung oil shipments from Buenos Aires in the 1966-67 period about 19.0 million pounds are indicated to have been shipped to countries other than the United States —chiefly Western Europe—compared with less than 5 million in the same period of 1965-66. Part of this increase reflects reduced shipments from Mainland China in recent months. Indicated shipments to the United States were 14.5 million pounds, or 3.7 million above those in the comparable 6-month period in 1965-66.

Total shipments of tung oil from Buenos Aires in 1966-67 are expected to rise sharply from those in 1965-66, reflecting a combined increase of more than 50 million pounds in Argentine and Paraguayan production. Prices for South American tung oil, basis European ports on February 23 were about 12.8 U.S. cents per pound, the lowest in recent years and more than one-fifth below the 1966 average of 16.6 cents per pound.

TUNG OIL SHIPMENTS FROM BUENOS AIRES [1]

Origin and destination	Year beginning Aug. 1 1964-65	Year beginning Aug. 1 1965-66	Aug.-Jan. 1965-66	Aug.-Jan. 1966-67 [2]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Argentina:				
To United States	20,468	11,742	3,932	4,975
To other countries [3]	15,098	11,561	4,596	13,608
Total	35,566	23,303	8,528	18,583
Paraguay:				
To United States	5,584	11,922	6,912	9,529
To other countries [3]	2,422	522	100	5,370
Total	8,006	12,444	7,012	14,899
Total:				
To United States	26,052	23,664	10,844	14,504
To other countries [3]	17,520	12,083	4,696	18,978
Grand total	43,572	35,747	15,540	33,482

[1] Presumed to represent virtually all the tung oil exported from Argentina and Paraguay. [2] Preliminary. [3] Largely to West European countries.

Compiled from shipments data, *Boletín Marítimo,* Buenos Aires.

Philippine Exports of Coconut Products

Registered exports of copra from the Philippine Republic during January 1967 totaled 56,170 long tons compared with 68,550 last year. Of the total, 19,000 tons moved to the United States compared with 13,650 in January 1966.

Exports of coconut oil amounted to 30,226 long tons against 25,846 in January 1966. Movements to the United States amounted to 29,726, up from 24,123 tons in the same month a year ago.

Exports of desiccated coconut during January 1967 were 4,236 short tons, with 3,463 moving to the United States. In the same period a year ago, exports were 2,884 short tons, of which 2,141 moved to the United States.

U.S. Cigarette Exports Up Slightly in 1966

U.S. exports of cigarettes in calendar year 1966 totaled some 23,452 million pieces, up nearly 2 percent from the

23,050 million exported in 1965. Value of 1966 exports was $110.5 million, compared with $105.3 million in 1965.

Major foreign markets for U.S. cigarettes in 1966 in order of importance were Hong Kong, Spain, the Netherlands Antilles, Paraguay, Kuwait, and France—each of which purchased at least 1 billion pieces. Hong Kong alone took about 10 percent of the 1966 exports.

U.S. EXPORTS OF CIGARETTES

Destination	1964	1965	1966
	Million pieces	*Million pieces*	*Million pieces*
Hong Kong	2,561.0	2,641.8	2,362.5
Spain	2,252.4	1,823.6	1,944.1
Netherlands Antilles	1,135.0	1,291.7	1,286.2
Paraguay	683.5	966.5	1,269.7
Kuwait	1,425.0	1,123.3	1,177.7
France	1,339.3	1,034.6	968.7
Germany, West	542.6	522.8	653.4
Ecuador	569.2	712.4	625.6
Panama, Republic of	823.5	651.4	624.2
Italy	708.7	643.9	622.4
Netherlands	617.2	503.3	606.5
Canary Islands	575.6	486.6	568.1
Switzerland	342.7	483.0	538.5
Singapore	(1)	(1)	501.8
Lebanon	550.2	630.4	498.4
Denmark	512.7	398.9	477.7
Australia	533.7	468.6	451.6
Japan	529.3	295.1	404.2
Belgium-Luxembourg	720.1	511.2	398.9
Morocco	289.9	291.1	381.1
Sweden	706.7	445.5	372.3
Peru	597.5	503.1	365.1
Yugoslavia	134.1	189.0	337.9
United Kingdom	347.2	283.6	329.1
Malaya	[2] 1,117.6	[2] 1,268.4	291.1
Others	5,529.5	4,874.1	5,395.3
Total	25,144.2	23,050.2	23,452.1
	1,000 dollars	*1,000 dollars*	*1,000 dollars*
Value	114,595	105,297	110,482

[1]Included in Malaya. [2] Includes Singapore.

U.S. Ships More Tobacco in January 1967

Exports of unmanufactured tobacco from the United States in January 1967 totaled 36.9 million pounds, compared with 32.0 million in January 1966. Exports of flue-cured, burley, Kentucky-Tennessee fire-cured, and Maryland were larger this January.

During July 1966-January 1967, exports of unmanufactured tobacco totaled 412.6 million pounds, or 26 percent above the 328.7 million shipped out in the similar 7-month period of fiscal 1966.

Exports of tobacco products in January 1967 were valued at $9.4 million, against $7.9 million in January 1966.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO, IN JANUARY

[Export weight]

Kind	Quantity		Value	
	1966	1967	1966	1967
	1,000 lbs.	*1,000 lbs.*	*1,000 dols.*	*1,000 dols.*
Flue-cured	24,804	26,463	23,264	23,172
Burley	2,684	2,987	2,318	2,401
Dark-fired Ky.-Tenn.	339	1,858	189	979
Va. fire-cured [1]	1,181	485	798	284
Maryland	491	1,439	404	1,025
Green River	78	33	50	21
One Sucker	17	58	7	25
Black Fat	280	363	261	317
Cigar Wrapper	282	102	562	360
Cigar binder	92	78	90	59
Cigar filler	73	20	39	12
Other	1,649	3,044	357	558
Total	31,970	36,930	28,339	29,213

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	January 1966	January 1967
Cigars and cheroots		
1,000 pieces	4,218	4,619
Cigarettes		
Million pieces	1,515	1,769
Chewing and snuff		
1,000 pounds	49	7
Smoking tobacco in packages		
1,000 pounds	108	80
Smoking tobacco in bulk		
1,000 pounds	592	771
Total declared value		
Million dollars	7.9	9.4

Bureau of the Census.

New Flour Mill To Be Built in Zambia

The National Milling Company, Limited, of Broken Hill, Zambia have plans for building a new flour mill to be in operation by February 1, 1968. A contract for supplying the plant and machinery was recently signed in Lusaka by Billy Evans, the Chairman, and George Porter, the Managing Director.

The installation of the new plant and machinery and building additional wheat storage sheds and other ancillary buildings will involve expenditures of over $840,000 and will bring the present replacement value of the company's installations at Broken Hill to about $4,200,000, according to Mr. Evans.

The company also plans to remodel the Lusaka Flour Mill. The company hopes to be able to play a full part in the government's Four-Year Development Plan by making Zambia self sufficient in flour milling capacity to meet the expanding demand for wheat flour.

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Highlights of the Agriculture and Trade of Ceylon

Resources:—The tropical island of Ceylon has 25,332 square miles. Mountain areas in south-central Ceylon often receive heavy rainfall, and numerous rivers start there. The mild temperature in some elevated areas with adequate rainfall is ideal for tea cultivation. The population of 11.8 million is growing by 2.6 percent annually. Useful mineral deposits include iron ore, graphite, titanium ores, and precious gems. Agriculture accounted for over 40 percent of the GNP of $1,551 million in 1965—$138 per capita.

Agriculture:— Coconut groves—owned by many small farmers—cover more than 1 million acres. Tea, rubber, and coconut products account for about two-thirds of the value of agricultural production. Predominantly for the export trade, these three cash crops account for over 90 percent of Ceylon's foreign exchange earnings.

Rice is the major food crop, and occupies about two-fifths of the 4 million acres of cropland, although it accounts for less than 25 percent of the total value of agricultural production. Production of paddy rice approached 1 million metric tons in 1966.

The harvest of cassava usually exceeds 300,000 tons per year; next to rice, cassava and sweetpotatoes are the major domestic sources of calories in rural areas. Chickpeas, cowpeas, chillies, and vegetables are grown commercially by many small farmers.

Much of the land in tea is owned or operated by foreigners, while most of the rubber and coconut groves are owned by Ceylonese. About 3 million acres of land now in forest and scrubs could be used for crops in the future.

Food situation:—Rice, bread made from imported wheat flour, root crops, sugar, and coconuts account for most of the food consumption.

Consumption of milled rice exceeds 1.1 million metric tons annually; and about half of the supply is imported. To conserve foreign exchange and reduce the distribution cost to the Government of Ceylon, Prime Minister Senanayake announced a new plan for rice distribution. People who formerly received 4 pounds of rice per week at the subsidized price of 10 cents per pound are now given 2 pounds of free rice weekly.

Foreign trade:—Ceylon became the world's largest exporter of tea in 1965 when 494 million pounds were shipped to world markets, and maintained this position in 1966. Tea accounts for over 60 percent of Ceylon's total exports and rubber, coconut products, coir fibers, cocoa, and cinnamon account for most of the remainder. Ceylon's total exports increased from $363 million in 1963 to $409 million in 1965 and dropped to $350 million in 1966.

The United Kingdom, the United States, the Middle East, Oceania, and South Africa are major export markets for Ceylon's tea. Agricultural commodities account for about half of Ceylon's total imports of about $400 million annually.

Rice, wheat flour, sugar, and powdered milk are the leading agricultural imports. Mainland China—through a barter arrangement for rubber—Burma, and Thailand provide most of the imported rice. Australia, France, the Netherlands, and the United States are major sources of wheat flour. No wheat flour mills are yet operating, and in 1964 Ceylon was the largest importer of wheat flour in Asia—taking 313,400 tons in that year.

Agricultural trade with U.S.:—Exports of wheat flour by the United States to Ceylon jumped to a value of almost $7 million in 1966, causing U.S. agricultural exports to the island to increase from $4.1 million in 1965 to $9.1 million in 1966. Powdered milk and flue-cured tobacco were next in importance but at much lower values. U.S. imports of tea from Ceylon exceed $25 million per year.

Factors affecting agricultural trade with the U.S.:—Shipments of wheat flour to Ceylon under P.L. 480 Title I were valued at about $4.5 million in 1966. Ceylon recently received a $7.5 million loan from AID to finance purchases of agricultural commodities. A $10-million loan from the United Kingdom will increase imports of agricultural products and supplies. The government imports most of the foods, although private traders handle most of the exports.

—JOHN B. PARKER

Foreign Regional Analysis Division, ERS

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